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C & S - HONOLULU

Thank you for the opportunity to submit testimony in SUPPORT of Bill 58 CD1. While I am glad that Bill 58 CD1 provides concrete affordable housing requirements, I also urge you to STRENGTHEN the bill. Given that real estate developers will profit greatly from the public's investment in rail, it is only right that the local families who are helping pay for the rail through their taxes also benefit from the construction of truly affordable housing.

In early 2016, I moved to Honolulu from Washington, DC, where I owned a unit in a new condo building in one of the hottest areas of the city. 20% of the units in my building are affordable units, with some for workers earning as little as 30% of the area median income (AMI). My low-income neighbors, in addition to purchasing their units at well below-market rates, also pay only about \$25 to \$50 per month in homeowner association dues, while the rest of us pay hundreds of dollars per month. That is a widely-accepted and not unusual arrangement in DC residential buildings.

A few years ago, DC strengthened its affordable housing laws to require that all new residential buildings on city-owned surplus land within a half-mile of a Metrorail station include 30% affordable housing. Half of those homes for sale must be affordable to those earning less than 50% of AMI, and the other half to those earning up to 80%. For rentals, one-quarter must be affordable at 30% AMI, with the remaining three-quarters affordable at 50% AMI.

Those affordable housing requirements certainly have not dimmed a construction and home-sales boom in DC, similar to what we are seeing in Honolulu, so I support Bill 58 CD1's stronger affordable housing requirements, but I believe they should be strengthened even more:

These units should be made affordable to workers at lower income levels: research shows that half of Honolulu's housing demand is for units affordable to those earning at or below 60% of AMI, while less than 20% of the demand is above 120% of AMI. By definition (of the term "median"), any cut-off above 100% of median is unaffordable to more than half of workers. In other words, Bill 58 CD1 is defining "affordability" much higher than where the real need is for affordable housing, and essentially shutting out those families who need it the most.

Bill 58 also should require at least 30% affordable housing units for all Transit-Oriented Development projects. Developers in Honolulu who received development benefits through a zone change have been required to ensure that 30% of their units are affordable for many years. All other counties already have similar requirements for all developments. Developers of hotels and commercial buildings near the rail will also benefit from O'ahu taxpayer's investment in rail, under a streamlined permitting process. Therefore they should also be subject to the same levels of affordable housing requirements.

The development of our rail system will only happen once, and the window for planning the construction of residential and commercial buildings along the rail corridor is closing fast. I urge you to act boldly now to assure that sorely-needed and truly affordable housing will be built for our hard-working local families. Mahalo again for the chance to submit testimony on this important bill.

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